

[REDACTED]

[REDACTED]

~~SECRET~~

FRP: . . . . .

STAFF

[REDACTED]

PAGE 001

TOT: 05 [REDACTED] APR 80

//MEXICO: PRESIDENT LOPEZ PORTILLO'S RECENTLY ANNOUNCED  
DECISION TO POSTPONE INDEFINITELY JOINING THE GENERAL AGREE-  
MENT ON TARIFFS AND TRADE REFLECTS HIS COMMITMENT TO STEER A  
POLITICAL COURSE INDEPENDENT OF THE US AND A DETERMINATION  
TO USE OIL TO OBTAIN EVEN BETTER BILATERAL TRADE DEALS. THE  
TIMING OF THE ANNOUNCEMENT WAS A SURPRISE AS MEXICO HAD  
UNTIL MAY TO DECIDE. LOPEZ PORTILLO PROBABLY WANTED TO  
AVERT DOMESTIC CRITICISM OF INCREASING OIL PRODUCTION, WHICH  
FAVORS US INTERESTS.// [REDACTED]

F(b)(1)  
F(b)(3)  
(S)

//THE DECISION PROBABLY WILL NOT GREATLY AFFECT US-  
MEXICAN TRADE IN THE SHORT TERM. SINCE LAST YEAR'S TRADE

AGREEMENT WITH THE US HAS NOW LAPSED, MEXICO MAY HAVE TO  
FORGO ONLY ABOUT \$20 MILLION IN TARIFF CONCESSIONS. M  
EXICO'S UNDER SECRETARY OF COMMERCE INDICATED THAT THE US  
WILL BE THE FIRST COUNTRY APPROACHED FOR A NEW BILATERAL  
ACCORD. MEXICO BELIEVES THAT US INTEREST IN OIL AND ILLEGAL  
MIGRATION WILL MAKE IT MORE RESPONSIVE TO MEXICAN PROBLEMS;  
THE RECENT US RULING ON WINTER VEGETABLES IN FAVOR OF MEXICO  
WILL STRENGTHEN THIS PERCEPTION.// [REDACTED]

APPROVED FOR RELEASE  
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